Customs Bulletin

Regulations, Rulings, Decisions, and Notices concerning Customs and related matters

and Decisions

of the United States Court of Customs and Patent Appeals and the United States Customs Court

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This issue contains

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Proposed Rulemaking
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THE DEPARTMENT OF THE TREASURY
U.S. Customs Service

NOTICE

The abstracts, rulings, and notices which are issued weekly by the U.S. Customs Service are subject to correction for typographical or other printing errors. Users may notify the U.S. Customs Service, Logistics Management Division, Washington, D.C. 20229, of any such errors in order that corrections may be made before the bound volumes are published.

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U.S. Customs Service

Treasury Decisions

(T.D. 79-140)

Licensed Public Gager

Approval of licensed public gager performing gaging under standards and procedures required by Customs

Notice is hereby given pursuant to the provisions of section 151.43(b) of the Customs Regulations (19 CFR 151.43(b)) that the application of Lowell L. Glenn, 9952 Spinnaker Drive, Huntington Beach, Calif. 92646, to gage imported petroleum and petroleum products in all Customs districts in accordance with the provisions of section 151.43(b) of the Customs Regulations is approved.

Dated: May 9, 1979.

DONALD W. LEWIS,
Acting Assistant Commissioner,
Regulations and Rulings.

(T.D. 79-141)

TITLE 19—CUSTOMS DUTIES

CHAPTER I—U.S. CUSTOMS SERVICE, DEPARTMENT OF THE TREASURY

PART 159—LIQUIDATION OF DUTIES

Final Countervailing Duty Determination

Viscose rayon staple fiber from Sweden

AGENCY: U.S. Customs Service, Treasury Department.

ACTION: Final countervailing duty determination.

SUMMARY: This notice is to inform the public that a countervailing duty investigation has resulted in a final determination that the Government of Sweden has given benefits considered to be bounties or

grants within the meaning of the countervailing duty law on the manufacture or exportation of viscose rayon staple fiber from Sweden.

EFFECTIVE DATE: May 15, 1979.

FOR FURTHER INFORMATION CONTACT: Mary S. Clapp, Duty Assessment Division, U.S. Customs Service, 1301 Constitution Avenue NW., Washington, D.C. 20229; telephone 202-566-5492.

SUPPLEMENTARY INFORMATION: On January 31, 1979, a "Preliminary countervailing duty determination" was published in the Federal Register (44 F.R. 6245). That notice stated that it had been preliminarily determined that bounties or grants within the meaning of section 303, Tariff Act of 1930, as amended (19 U.S.C. 1303) (referred to as the act) are being paid or bestowed, directly or indirectly, by the Government of Sweden upon the manufacture or exportation of viscose rayon staple fiber. Further information has been obtained since that time regarding the various programs under consideration.

The imports from Sweden covered by this investigation are classified under items Nos. 309.4320 and 309.4325, Tariff Schedules of the United States Annotated (TSUSA). Both regular and high-wet modulus (modal) viscose rayon staple fiber are included within the scope of this investigation.

The programs considered in this investigation are discussed below:

A. The program under which the Government of Sweden provides funds to producers of merchandise to encourage the continued employment of older workers in certain regions of the country was preliminarily determined to constitute a bounty or grant. The sole Swedish producer of the investigated merchandise, Svenska Rayon AB (Svenska), was determined to be eligible to participate in this program. Its objective is to reduce the number of dismissals faced by workers over the age of 50 who have greater difficulty than younger workers in finding substitute employment when laid off. It is not a program in any way related to the exportation of the merchandise produced by the company.

In order to qualify under this plan, a company must agree that it will not dismiss any workers, regardless of age, during the period in which it is accepting government compensation, or that it will withdraw any pending dismissals. The company must then establish the number of employees over age 50 on its payroll and the estimated number of working hours of these workers during the period for which funds are sought. A government agency determines monthly the actual number of hours worked by the older workers and compensation is paid based on a fixed hourly rate for such employees. Total compensation cannot exceed a maximum allowable percentage of the company's total labor costs.

The costs involved in not laying off redundant workers will vary from company to company, and the compensation provided by the Government of Sweden is not always sufficient to induce companies to take part in the program. However, Svenska has elected to participate. The costs incurred in maintaining redundant, older workers on the payroll have been calculated, and in December 1978 these costs exceeded the payments received by the company.

Accordingly, it is hereby determined that a bounty or grant is paid or bestowed within the meaning of section 303 of the act on the manufacture or exportation of viscose rayon staple fiber (both regular and modal) by reason of this program. Because payments received under this program are currently offset by the extra expenses borne by Svenska, however, the rate of countervailing duty that applies to the product as a result is zero. However, a change in business conditions may alter this balance. The Swedish producer will, therefore, be requested to supply periodic, current information in order to enable Treasury to determine whether any net countervailable benefit is being received. If so, appropriate countervailing duties would then be assessed on the subject merchandise.

B. Interest-free loans provided by the Government of Sweden to Svenska for the acquisition of machinery and equipment for the production of modal fiber not exported to the United States were preliminarily determined not to constitute a bounty or grant. At that time, it was stated that further information would be obtained regarding these loans.

The interest-free loans are provided under programs broadly defined to aid national economic security. Modal fiber represents a technological advance over regular fiber, the currently prevalent form of viscose rayon staple fiber. The preliminary determination implied that a countervailable benefit would exist only if an indirect benefit was conferred on the production or export of the regular fiber which is, in fact, currently exported to the United States. However, as discussed below, a countervailable benefit also exists if a benefit is conferred on the production and exportation of modal fiber.

The development of modal fiber production capacity began in 1975. The government provided loans for up to 75 percent of approved capital expenditures, and adopted procedures to insure that the funds thus supplied were used solely for the purpose for which intended. The modal fiber facility is a physically separate unit of Svenska's operation, and shares only general supporting facilities with the regular fiber production line. Thus, the question of whether any indirect benefit is conferred upon the latter centers on the dual notions of fungibility of money and the potential of conversion of the modal production line to regular fiber.

With regard to fungibility, it has been determined in a previous investigation that the mere provision of capital to a company producing a number of goods does not necessarily constitute a bounty or grant on the production or export of particular products. (See "Papermaking Machinery from Finland," Feb. 20, 1979, 44 F.R. 10451.) It is necessary to ascertain how closely related to the purpose for which the funds are provided are the products or operations being analyzed in order to resolve this issue. In the instant case, both regular and modal fiber are "viscose rayon staple fiber," but the latter is of better quality and is more expensive to produce. The finer merchandise can usually be used in the place of the lower quality one, but purchasers who would normally use regular fiber would not substitute modal for regular fiber merely because it is possible to do so. On the other hand, textile production that requires modal fiber could not use regular fiber and yield the same final product. Therefore, the payments limited and solely applied to modal production should not be considered as a benefit to production of regular fiber. Further, there is no way to measure the effect of "fungible" money for the many products some companies make. Thus, from an administrative, as well as a commercial, point of view, it seems impossible accurately to quantify any indirect benefits for a particular product merely because another was directly benefited.

Notwithstanding this conclusion concerning the lack of a benefit to regular fiber, as such, the benefits provided for acquiring modal fiber machinery might have been considered a benefit applicable to regular fiber production, if it had been shown that modal machinery could easily be adapted to the production of regular fiber. However, conversion appears to be impractical from both the commercial and technical points of view. Therefore, it would be improper to allocate portions of the benefits associated with the production of modal fiber to the production of regular fiber.

Accordingly, the benefit derived from the interest-free loans must be associated solely with the production of modal fiber. When a purely domestic (rather than an export) subsidy is involved, as is the case here, a countervailable benefit is deemed to exist only if a preponderance of production is exported, unless the ad valorem benefit is so large that trade distortion is likely to result. Even though virtually no modal fiber was exported by Svenska to the United States in 1978, the company did export the bulk of its total production of modal fiber to other countries, thus satisfying the preponderance criterion cited above. Accordingly, since a preponderance of production is exported, it is determined that a bounty or grant is paid or bestowed within the meaning of section 303 of the act on the manufacture or exportation of modal viscose rayon staple fiber by reason of the interest-free loans.

However, it is also determined this program confers no benefit on the manufacture or exportation of regular viscose rayon staple fiber.

The true benefit associated with the interest-free loans must be evaluated in light of the terms of these loans. When this is done, it appears that the loans will never be paid and, therefore, should be considered an outright grant to Svenska. The current, ad valorem benefit associated with the grants received to date is calculated by spreading their total amount over 10 years (which is the minimum period designated by the Government of Sweden for writing off the grants) and then dividing this figure by the total production of modal fiber in 1978. This yields an ad valorem benefit of 8.6 percent on the modal fiber. The Department will adjust this figure should it become necessary to do so.

C. The grant of funds through a government program devised to stockpile raw materials and maintain extra production capacity for national defense purposes was preliminarily determined not to constitute a bounty or grant. More information regarding this plan was obtained before making this final determination.

The Government of Sweden, in response to its perceived need to maintain adequate defense in both the military and economic fields, has established a plan whereby strategic stockpiles and minimum production capacity deemed essential to national security are maintained. Among the numerous products included in this plan is the subject merchandise. The company is paid only for the extra expenses it incurs by cooperating with its government's plan. Machinery is maintained in storage for possible future need and fiber itself is kept in a rotating stockpile in order to ensure its freshness. Strategic stockpiles are set at a given level and may not be used for commercial purposes and, in the same manner, commercial inventories may not be used by the company to meet its defense obligations. Given this strict management of the government program and the fact that Svenska receives no net benefit owing to its participation, this program is determined not to constitute a bounty or grant.

Interested parties were invited to submit relevant data, views, or arguments orally or in writing with respect to the preliminary determinations. Such data, views, or arguments have been taken into account in rendering this determination.

Accordingly, notice is hereby given that viscose rayon staple fiber which is imported directly or indirectly from Sweden, if entered, or withdrawn from warehouse, for consumption on or after (the date of publication of this notice in the Federal Register), will be subject to the payment of countervailing duties equal to the net amount of any bounty or grant determined or estimated to have been paid or bestowed. Since it has been determined that no bounty or grant is

presently being paid or bestowed with respect to regular fiber, imports of such merchandise from Sweden shall be subject to a zero rate countervailing duty.

In accordance with section 303 of the act and until further notice, the net amount of such bounties or grants on the f.o.b. value of the modal fiber has been ascertained and determined to be 8.6 percent. Therefore effective on or after (publication date of this notice), and until further notice, upon the entry, or withdrawal from warehouse, for consumption of such modal viscose rayon staple fiber imported directly or indirectly from Sweden, which benefit from these bounties or grants, there shall be collected, in addition to any other duties estimated or determined to be due, countervailing duties in the amount ascertained in accordance with the above declaration. To the extent that it can be established to the satisfaction of the Commissioner of Customs that imports of modal fiber from Sweden are benefiting from a bounty or grant smaller than the amount which otherwise would be applicable under the above declaration, the smaller amount so established shall be assessed and collected.

Any merchandise subject to the terms of this order shall be deemed to have benefited from a bounty or grant, if such bounty or grant has been or will be credited or bestowed, directly or indirectly, upon the manufacture, production or exportation of viscose rayon stape fiber from Sweden.

The table in section 159.47(f) of the Customs Regulations (19 CFR 159.47(f)) is amended by inserting after the last entry for "Sweden", the words "viscose rayon staple fiber" in the column headed "Commodity", the number of this Treasury decision in the column headed "Treasury decision" and the words "Bounty declared-rate" in the column headed "Action."

(R.S. 251, as amended, secs. 303, as amended, 624, 46 Stat. 687, as amended, 759 (19 U.S.C. 66, 1303, 1624).)

This final determination is published pursuant to section 303(a) of the Tariff Act of 1930, as amended (19 U.S.C. 1303(a).)

Pursuant to Reorganization Plan No. 26 of 1950 and Treasury Department Order 190 (revision 15) March 16, 1978, the provisions of Treasury Department Order No. 165, revised, November 2, 1954, and section 154.47 of the Customs Regulations (19 CFR 159.47), insofar as they pertain to the issuance of a final countervailing duty determination by the Commissioner of Customs, are hereby waived.

Dated: May 8, 1979.

DAVID R. BRENNAN,
Acting General Counsel of the Treasury.

[Published in the Federal Register May 15, 1979 (44 F.R. 28319)]

(T.D. 79-142)

Countervailing Duties—Sugar Content of Certain Articles From Australia

Net amount of bounty declared for the period January 1978 through December 1978, for products of Australia subject to the countervailing duty order published in T.D. 54582; section 159.47(f), Customs Regulations, amended

TITLE 19—CUSTOMS DUTIES

CHAPTER I—U.S. CUSTOMS SERVICE

PART 159—LIQUIDATION OF DUTIES

AGENCY: U.S. Customs Service.

ACTION: Net amounts of countervailing duty determined.

SUMMARY: This notice is to inform the public of the amounts of countervailing duty which will be assessed on the sugar content of certain articles exported from Australia during the period January 1978 through December 1978. Section 159.47(f) of the Customs Regulations is being amended to include this notice.

EFFECTIVE DATE: May 16, 1979.

FOR FURTHER INFORMATION CONTACT: Stephen Nyschot, Operations Officer, Duty Assessment Division, U.S. Customs Service, 1301 Constitution Avenue NW., Washington, D.C.; telephone 202-566-5492.

SUPPLEMENTARY INFORMATION: The Treasury Department is in receipt of official information that the rates of bounties or grants paid or bestowed within the meaning of section 303, Tariff Act of 1930 as amended (19 U.S.C. 1303), on the exportation during the period January 1978 through December 1978 of approved fruit products and other approved products manufactured or produced in Australia are the amounts shown in the following table. The amounts shown are in Australian dollars, per 1,000 kilograms of sugar content.

Month	Approved fruit products	Other approved products
January 1978	None	None.
February 1978	None	None.
March 1978	None	None.
April 1978	None	Aus. $5.80.
May 1978	None	Aus. $4.10.
June 1978	None	Aus. $7.50.
July 1978	Aus. $32.70	Aus. $47.70.

291-889—79——2

Month	Approved fruit products	Other approved products
August 1978	Aus. $47.20	Aus. $62.20.
September 1978	Aus. $25.70	Aus. $40.70.
October 1978	Aust. $6.90	Aus. $21.90.
November 1978	None	Aus. $7.80.
December 1978	Aus. $12.20	Aus. $27.20.

The net amounts of bounties or grants on the above-described merchandise are hereby ascertained, determined, or estimated to be the rates stated in the above table. Additional duties on the above-described merchandise, whether imported directly or indirectly from that country, equal to the net amount of the bounty shown above shall be assessed and collected pursuant to section 303, Tariff Act of 1930, as amended (19 U.S.C. 1303).

The table in section 159.47(f) of Customs Regulations (19 CFR 159.47(f)), under "Australia—Sugar content of certain articles" is amended (1) by deleting therefrom the reference to T.D. 77–127, and (2) by adding a reference to this Treasury decision. As amended, the last four lines of the table under this commodity will read:

Country	Commodity	Treasury Decision	Action
		55716	Certain articles exempted as to shipments exported on or after July 19, 1962.
		77-257	New rate.
		78-115	New rate.
		79-	New rate.

Pursuant to Reorganization Plan No. 26 of 1950 and Treasury Department Order 190 (revision 15), March 16, 1979, the provisions of Treasury Department Order 165, revised, November 2, 1954, and section 159.47 of the Customs Regulations (19 CFR 159.47), insofar at they pertain to the issuance of a countervailing duty order by the Commissioner of Customs, are hereby waived.

(R.S. 251, as amended, secs. 303, 624, 46 Stat. 687, as amended, 759 (19 U.S.C. 66, 1303, 1624).)

Dated: May 10, 1979.

ROBERT H. MUNDHEIM,
General Counsel of the Treasury.

[Published in the Federal Register May 16, 1979 (44 F.R. 28658)]

(T.D. 79-143)

Manmade Fiber Textile Products—Restriction on Entry

Restriction on entry of manmade fiber textile products manufactured or produced in the Dominican Republic

There is published below a directive of March 12, 1979, received by the Commissioner of Customs from the chairman, Committee for the Implementation of Textile Agreements, concerning restriction on entry of manmade fiber textile products in category 649 manufactured or produced in the Dominican Republic.

This directive was published in the Federal Register on March 14, 1979 (44 F.R. 15525), by the committee.

(QUO-2-1)

Dated: May 14, 1979.

BEN L. IRVIN,
Acting Director,
Duty Assessment Division.

U.S. DEPARTMENT OF COMMERCE,
THE ASSISTANT SECRETARY FOR INDUSTRY AND TRADE,
Washington, D.C., March 12, 1979.

Committee for the Implementation of Textile Agreements

COMMISSIONER OF CUSTOMS,
Department of the Treasury,
Washington, D.C. 20229

DEAR MR. COMMISSIONER: Under the terms of the Arrangement Regarding International Trade in Textiles done at Geneva on December 20, 1973, as extended on December 14, 1977 and in accordance with the provisions of Executive Order 11651 of March 3, 1972, as amended by Executive Order 11951 of January 6, 1977, you are directed, effective on March 15, 1979, and for the 12-month period beginning on November 1, 1978, and extending through October 31, 1979, to prohibit entry into the United States for consumption and withdrawal from warehouse for consumption of manmade fiber textile products in category 649, produced or manufactured in the Dominican Republic, in excess of 1,134,636 dozen.[1]

Manmade fiber textile products in category 649 which have been released from the custody of the U.S. Customs Service under the provisions of 19 U.S.C. 1448(b) or 1484(a)(1)(A) prior to the effective date of this directive shall not be denied entry under this directive.

[1] The level of restraint has not been adjusted to reflect any imports after Oct. 31, 1978.

A detailed description of the textile categories in terms of TSUSA numbers was published in the Federal Register on January 4, 1978 (43 F.R. 884), as amended on January 25, 1978 (43 F.R. 3421), March 3, 1978 (43 F.R. 8828), June 22, 1978 (43 F.R. 26773), September 5, 1978 (43 F.R. 39408), and January 2, 1979 (44 F.R. 94).

In carrying out the above directions, entry into the United States for consumption shall be construed to include entry for consumption into the Commonwealth of Puerto Rico.

The actions taken with respect to the Government of the Dominican Republic and with respect to imports of manmade fiber textile products from the Dominican Republic have been determined by the Committee for the Implementation of Textile Agreements to involve foreign affairs functions of the United States. Therefore, the directions to the Commissioner of Customs, being necessary to the implementation of such actions, fall within the foreign affairs exception to the rulemaking provisions of 5 U.S.C. 553. This letter will be published in the Federal Register.

Sincerely,

ARTHUR GAREL,
Acting Chairman, Committee for the Implementation of Textile Agreements.

(T.D. 79–144)

General Notice

Revised Customs form to facilitate entry of imported merchandise

AGENCY: U.S. Customs Service, Department of the Treasury.

ACTION: General notice.

SUMMARY: Public Law 95–410, the "Customs Procedural Reform and Simplification Act of 1978" made numerous changes in laws administered by the Customs Service relating to the entry of imported merchandise. A document proposing to amend the Customs Regulations to establish new procedures to reflect these changes was published in the Federal Register on November 29, 1978 (43 F.R. 55774). This general notice informs the public that to facilitate the entry of imported merchandise, Customs proposes to introduce by October 1, 1979, a revised Customs form 7501, the "Entry/Entry Summary," to replace several existing forms. A copy of the form and a chart showing the data blocks and other explanatory material are appended to the document. Customs requests comments from the public relating to this form.

DATE: Comments must be received on or before (30 days from the date of publication in the Federal Register).

ADDRESS: Written comments may be addressed to the Commissioner of Customs, Attention: Regulations and Legal Publications Division, U.S. Customs Service, 1301 Constitution Avenue NW., room 2335, Washington, D.C. 20229.

FOR FURTHER INFORMATION CONTACT: William Wagner, Duty Assessment Division, U.S. Customs Service, 1301 Constitution Avenue NW., Washington D.C. 20229; 202–566–5307.

SUPPLEMENTARY INFORMATION:

BACKGROUND

Public Law 95–410 (92 Stat. 888), the "Customs Procedural Reform and Simplification Act of 1978", approved October 3, 1978 (the act), made significant changes in the Customs laws relating to the entry of imported merchandise. A notice of proposed rulemaking to amend the Customs Regulations to establish new procedures to reflect these changes was published in the Federal Register on November 29, 1978 (43 F.R. 55774). Comments received in response to that notice are being evaluated, and appropriate amendments in final form are being prepared for publication.

The entry of imported merchandise is a two-part process consisting of (1) filing the documentation necessary to determine whether merchandise may be released from Customs custody, and (2) filing documentation which contains information for duty assessment and statistical purposes.

As explained in the notice of proposed rulemaking, "entry" means that documentation required to be filed with the appropriate Customs officer to secure the release of imported merchandise from Customs custody, or the act of filing that documentation. "Entry summary" means any other documentation necessary to enable Customs to assess duties, to collect statistics on imported merchandise, and to determine whether other requirements of law or regulation are met. The entry summary documentation is required to be filed at the time prescribed by regulation, either at the time of entry, or at any time within 10 days thereafter.

The rulemaking stated (proposed section 142.3(a)(1), Customs Regulations), that Customs form 3461, used currently as an application for a special permit for immediate delivery, appropriately modified, or Customs from 7533, appropriately modified, in place of Customs form 3461 for merchandise imported from a contiguous country, would be utilized as an entry document. The rulemaking (proposed section 142.11(a)) also stated that (1) current Customs form 7501, for merchandise formally entered for consumption or under a temporary importation bond, (2) Customs form 3311, for merchandise which may be entered free of duty under part 10 of the Customs Regulations,

or (3) Customs form 7502, for warehouse entries, would be used as the entry summary.

The rulemaking (proposed section 142.3(b)), also stated that when an entry summary is filed at time of entry, Customs form 3461 or 7533 would not be required, and Customs form 7501, 7502, or 3311, as appropriate, would serve as both the entry and entry summary.

Accordingly, under the regulations proposed in the November 29, 1978, notice, various Customs forms would be used to accomplish the entry of imported merchandise, depending on the circumstance. However, in light of the changes in entry procedures necessitated by the act, it would be beneficial to the importing community if a new Customs form were developed to facilitate the two-part process of entering imported merchandise. At the same time, other Customs forms either would be replaced or limited in use.

The purpose of this document is to inform the public that Customs proposes to introduce a revised Customs form 7501 for use on October 1, 1979, and to request public comments relating to this form and its use. A copy of the form and a chart showing the data blocks and other explanatory material are appended. After considering the comments received, Customs will publish a document in the Federal Register setting forth instructions and procedures to complete and file the form and make appropriate conforming amendments to the Customs Regulations.

The revised entry document, Customs form 7501, would be entitled the "Entry/Entry Summary" to emphasize the two-part process for entering imported merchandise. It would be the same size as the current Customs form 7501.

It is contemplated that the new Customs form 7501 will replace the following:

1. Customs form 7501, 7501A, 7501B, 7501C, the "Consumption Entry";
2. Customs form 7502, 7502A, 7502B, 7502C, the "Warehouse or Rewarehouse Entry";
3. Customs form 5101, the "Entry Record"; and
4. Customs form 5119A, "Informal Entry".

It also is contemplated that the new Customs from 7501 would limit the use of Customs form 3461, "Immediate Delivery Application".

The following forms would continue to be used as at present:

1. Customs form 3311, "Declaration For Free Entry of Returned American Products and/or Certificate of Exportation";
2. Customs form 7505, "Warehouse Withdrawal For Consumption";
3. Customs form 7506, "Warehouse Withdrawal, Conditionally Free of Duty";

4. Customs form 7512, "Transportation Entry and Manifest of Goods Subject to Customs Inspection and Permit";

5. Customs form 7519, "Combined Rewarehouse Entry and Withdrawal for Consumption, and Permit";

6. Customs form 7521, "Entry for Bonded Manufacturing Warehouse, and Permit";

7. Customs form 7523, "Entry and Manifest of Merchandise Free of Duty, Carrier's Certificate and Release"; and

8. Customs form 7533, "Inward Cargo Manifest for Vessel Under Five Tons, Ferry, Train, Car, Vehicle, etc.".

Information needed to complete the new Customs form 7501 would be provided either at the time of filing the entry documentation or at the time of filing the entry summary. However, when the entry summary would serve as both the entry and entry summary, all of the required data would be filed at the time of entry.

The data would be required to be provided to Customs by one of the following:

1. Nominal consignee,
2. Consignee, or
3. Agent of the consignee.

COMMENTS

Consideration will be given to any written comments, preferably in triplicate, submitted timely to the Commissioner of Customs. Comments submitted will be available for public inspection in accordance with section 103.8(b), Customs Regulations (19 CFR 103.8(b)), during regular business hours at the Regulations and Legal Publications Division, Headquarters, U.S. Customs Service, 1301 Constitution Avenue NW., Room 2335, Washington, D.C. 20229.

ACTION

Customs proposes to implement the revised Customs form 7501, if approved by the Office of Management and Budget, on October 1, 1979. Prior to that time, Customs will review the comments received and publish a document in the Federal Register setting forth instructions and procedures to complete and file the form and proposing appropriate amendments to the Customs Regulations.

AUTHORITY

R.S. 251, as amended (19 U.S.C. 66), section 484, 46 Stat. 722, as amended (19 U.S.C. 1484), Public Law 95–410, 92 Stat. 888 (October 3, 1978).

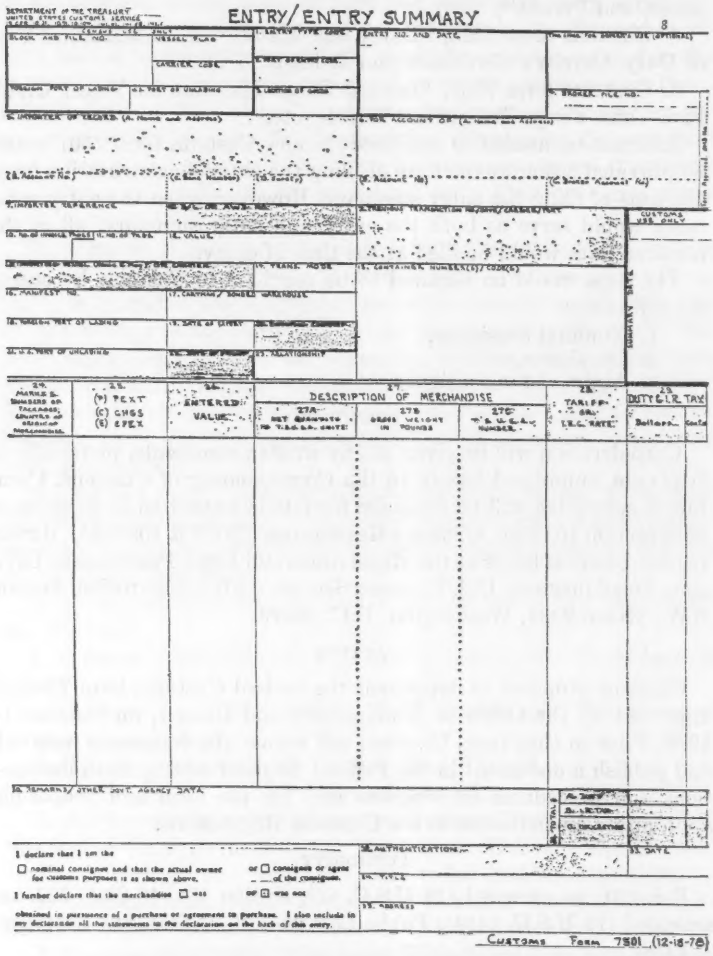
DRAFTING INFORMATION

The principal author of this document was Charles D. Ressin, Regulations and Legal Publications Division, Office of Regulations

and Rulings, U.S. Customs Service. However, personnel from other Customs offices participated in its development.

Dated: May 14, 1979.

LEONARD LEHMAN,
Acting Commissioner of Customs.



Page 1 of Customs form 7501 (revised)

The unnumbered block at the top left of the form, "Census Use Only", would be reserved for the Bureau of Census to gather appro-

8a

RECORD OF CARTAGE OR LIGHTERAGE
Delivered to Cartman or Lighterman in apparent good condition except as noted below.

CONVEYANCE	QUANTITY	DATE	INSPECTOR	RECEIVED (Cartman or Lighterman)	RECEIVED (Warehouse Prop.) (Date)
TOTAL:		Warehouse Officer			

REPORT OF EXCEPTIONS, OR OF WEIGHT, GAUGE OR MEASURE; OR OTHER PERTINENT INFORMATION.
(All reports hereon must be dated and signed by the reporting officer)

Date Signature and Title

DECLARATION OF NOMINAL CONSIGNEE, CONSIGNEE, OR AGENT OF CONSIGNEE

To the best of my knowledge and belief, all statements appearing in this entry and in the invoice or invoices and other documents presented herewith and in accordance with which the entry is made, are true and correct in every respect; the entry and invoices set forth the true prices, values, quantities, and all information as required by the laws and the regulations made in pursuance thereof; the invoices and other documents are in the same state as when received; I have not received and do not know of any other invoices, paper, letter, document, or information showing a different currency price, value, quantity, or description of the said merchandise, and if at any time hereafter I discover any information showing a different state of facts I will immediately make the same known to the District Director of Customs at the port of entry.

If the merchandise is entered by means of a seller's or shipper's invoice, no customs invoice for any of the merchandise covered by the said seller's or shipper's invoice can be presented due to causes beyond my control. If the merchandise is entered by means of a statement of the value or the price paid in the form of an invoice, or because neither seller's, shipper's, nor customs invoice can be produced at this time,

Date

CARRIER'S CERTIFICATE AND RELEASE ORDER

The undersigned carrier, to whom or upon whose order the articles described hereon or in the attached document must be released, hereby certifies that the consignee named in this document is the owner or consignee of such articles within the purview of section 484(b), Tariff Act of 1930. In accordance with the provisions of section 484(i), Tariff Act of 1930, authority is hereby given to release the articles covered by the above-mentioned statement to such consignee.

(Name of carrier)

(Agent)

AUTHORITY TO MAKE ENTRY FOR PORTION OF CONSOLIDATED SHIPMENT

The merchandise covered by this entry or such portion thereof as may be specifically indicated was shipped by .....
..... consigned to ..... endorsed to .....
covered by * ..... dated ..... at .....
.so file with the district director of customs at .....
I We } ..... the consignee in the above-mentioned document covering merchandise for various
ultimate consignees, hereby authorize ..... or order to make customs entry for the merchandise.

.....
(Consignee)

(Transfer of the above authority may be made by endorsement here.)
* Insert "Bill of lading," "Certified duplicate bill of lading," "Carrier's certificate," or "Shipping receipt."

Notes:
For information relative to the preparation and filing of a customs entry see UNITED STATES CUSTOMS REGULATIONS and TARIFF SCHEDULES OF THE UNITED STATES ANNOTATED.
The rates of duty used in this entry are not binding for future imports. Section 177.1, Customs Regulations, tells how to obtain binding rates.

FOR INFORMAL ENTRY USE ONLY SHADED BLOCKS AND COLUMNS

WHEN THIS FORM IS USED AS AN INFORMAL ENTRY— Liquidation of amount of duties and taxes, if any, due on this entry is effective on date of payment of this amount. For importer's right to protest or Government's right to redetermine this amount, see sections 514 and 520, T.A. 1930, and sections 174.12 and 173.2, Customs Regulations. Protest must be accompanied by this receipt or a photostat copy thereof.

CUSTOMS FORM 7501 PAGE 2

priate statistics for processing purposes. The unnumbered block at the top center of the form, "Entry No. and Date", would be used to designate the Customs assigned entry number and date for the particular entry of merchandise. The unnumbered block at the top right of the form, "This Space for Broker's Use (optional)", would be reserved for the use of the broker. The unnumbered block along the right side of the form, "Customs Use Only", is reserved for Customs use.

Block and title	Description	Present Customs form	When to be filed	Mandatory or optional
1. Entry type code	Two-digit number (code to be expanded to include informal entries).	3461, 5101, 5119A.	Entry	Mandatory.
2. Port of entry code	District and port code as indicated in annex A of TSUSA. Example: 10-01 is the Port of New York Seaport.	7501, 7502, 5119A.	do	Do.
3. Location of goods	Pier, dock, warehouse, foreign trade zone, etc.	3461, 7501, 7502.	do	Do.
4. Broker File Number.	Broker's reference number for the importation.	3461	do	Optional.
5. Importer of record:	Name and address, including Zip code.	7501 7502, 5119A.	do	Mandatory.
A. Name and address.				
B. Account number.	IRS number, social security number, or Customs assigned number of importer of record.	5101	do	Do.
C. Bond number	Same code as on CF 5101	5101	do	Do.
D. Surety	Identifying surety number for ABIS.	5101	do	Do.
6. For account of:	Name and address, including ZIP code.	7501, 7502	do	Mandatory, if applicable.
A. Name and address.				
B. Account number.	IRS number, social security number, or Customs assigned number of party shown in 6A.	5101	do	Do.
C. Broker Account Number.	Customs assigned number to indicate broker.	New	do	Do.
7. Importer reference	Importer no. of individual or firm to whom refunds, bills, or notices of liquidation are to be sent if other than importer or record.	5101	do	Optional.
8. B/L or AWB Number	Obtain from import documentation.	3461, 7501, 7502, 5119A.	do	Mandatory.
9. Previous transaction number / date / carrier/port.	Previous Customs status of merchandise. Example: IT entry No. 776824 filed Aug. 20, 1978, by (carrier) at port of Baltimore, Md.	3461, 7501, 7502, 5119A.	do	Mandatory, if applicable.
10. Number of invoice pages.	Total number of invoice pages	3461	do	Mandatory.
11. Number of packages	Total number of packages in shipment.	3461	do	Do.
12. Value	Total invoice value	3461	do	Do.
13. Importing vessel (name and flag) or carrier.	Name of vessel or airline and country in which vessel or airline is registered.	3461, 7501, 7502, 5119A.	do	Do.
14. Transportation mode	Method of transportation in terms of how imported article first entered the U.S., Example: vessel, air, truck, railroad, pipeline, ferry, mail (surface and air), etc.	New	do	Do.
15. Container number(s)/ code(s).	Each container number in columns.	New	do	Mandatory, if applicable.
16. Manifest number	Obtained from carrier	New	do	Mandatory.
17. Cartman*/bonded warehouse.	*Name of cartman (new) and/or bonded warehouse.	New*, 7502	do	Mandatory, if applicable.

Block and title	Description	Present Customs form	When to be filed	Mandatory or optional
18. Foreign port of lading	Name of foreign port at which the merchandise was actually loaded for exportation to the United States.	3461, 7501, 7502.	Entry	Mandatory.
19. Date of export	Month, day, year on which the carrier departed the last port of the country of exportation bound for the United States.	7501, 7502	do	Do.
20. Exporting country	Name of country from which the merchandise imported.	7501, 7502, 5119A.	do	Do.
21. U.S. port of unlading	U.S. port at which the merchandise was first unloaded.	7501, 7502	do	Do.
22. Date of import	Month, day, year on which the carrier arrived within port limits of United States with intent to unlade.	7501, 7502, 5119A.	do	Do.
23. Relationship	Indicate "related" or "not related".	7501, 7502	do	Do.
24. Marks and numbers of packages; country of origin of merchandise.	Self-explanatory	7501, 7502, 5119A.	Entry summary	Do.
25. (P) PEXT, (C) CHGS, (E) EPEX	FOB/CIF statistical data	7501, 7502	do	Do.
26. Entered value	Entered value for TSUSA reporting number.	7501, 7502, 5119A.	do	Do.
27. Description of merchandise:				
27A net quantity in TS USA units.	Unit of quantity as specified in TSUSA	7501, 7502, 5119A.	do	Do.
27B Gross weight in pounds.	Self-explanatory	7501, 7502	do	Do.
27C TSUSA number.	do	7501, 7502, 5119A.	do	Do.
28. Tariff or IRC rate	do	7501, 7502, 5119A.	do	Do.
29. Duty and IR tax	do	7501, 7502, 5119A.	do	Do.
30. Remarks/other government agency data*.	Importer/broker space to indicate missing documents, etc.; *also indication of any other U.S. Government agency requirements that must be met (new).	7501, 7502, New*.	do	Do.
31. Totals:				
A. Duty	Total amount of duties	7501, 7502, 5119A, 5101.	do	Do.
B. IR Tax	Total amount of IR tax	7501, 7502, 5119A, 5101.	do	Do.
C. Collection	Total amount of all duties and IR tax.	7501, 7502, 5119A.	do	Do.
32. Authentication	Name and signature of declarant.	3461, 7501, 7502, 5119A, 5101.	Entry, entry summary.	Do.
33. Date	Date declaration is signed	3461, 7501, 7502.	do	Do.
34. Title	Title of individual signing block 32.	7501, 7502	do	Do.
35. Address	Address of individual signing block 32.	7501, 7502	do	Do.

The declaration on the bottom left corner of the form, presently appearing on Customs forms 7501 and 7502, is required to be completed at the time of filing the entry summary.

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The "Record of Cartage or Lighterage", presently on Customs form 7502A (permit), would be completed when merchandise is to be transferred from the place of unlading to a bonded warehouse. When completed other than by a Customs officer, it would be done in the presence of, and certified by, the Customs officer.

The "Report of Exceptions, or of Weight, Gage, or Measure; or Other Pertinent Information" is to be completed by a Customs officer as needed when there is an invoice discrepancy, or to provide proper weight, gage, or measure for classification and control purposes.

The "Carrier's Certificate and Release Order", presently appearing on Customs forms 7501 and 7502, is required to be completed, if applicable, at the time of filing entry documentation.

The "Authority to Make Entry for Portion of Consolidated Shipment", presently appearing on the Customs forms 7501 and 7502, is required to be completed, if applicable, at the time of filing entry documentation.

[Published in the Federal Register May 23, 1979 (44 F.R. 29916)]

(T.D. 79-145)

TITLE 19—CUSTOMS DUTIES

CHAPTER I—U.S. CUSTOMS SERVICE, DEPARTMENT OF THE TREASURY

PART 159—LIQUIDATION OF DUTIES

Certain Castor Oil Products From Brazil—Declaration of Net Amount of Bounty or Grant

AGENCY: U.S. Customs Service, Treasury Department.

ACTION: Net amount of bounty or grant declared.

SUMMARY: This notice is to advise the public of the new rate of countervailing duty applicable to imports of hydrogenated castor oil and 12 hydroxystearic acid from Brazil. Based upon a review of information received, the net amount of benefits given by the Government of Brazil which constitute bounties or grants within the meaning of the countervailing duty law upon the manufacture, production, or exportation of hydrogenated castor oil or 12 hydroxystearic acid has been determined to be 9.6 percent of the f.o.b. or ex-works price to the United States. Accordingly, effective today, hydrogenated castor oil

and 12 hydroxystearic acid from Brazil will be subject to countervailing duty in accordance with this declaration.

EFFECTIVE DATE: May 17, 1979.

FOR FURTHER INFORMATION CONTACT: Mr. Charles F. Goldsmith, economist, Office of Tariff Affairs, U.S. Department of the Treasury, 15th Street and Pennsylvania Avenue NW., Washington, D.C. 20220; telephone 202–566–2323.

SUPPLEMENTARY INFORMATION: In the Federal Register of March 16, 1976 (41 F.R. 11018), a notice, T.D. 76–80, was published stating that it had been determined that exports of hydrogenated castor oil and 12 hydroxystearic acid from Brazil received bounties or grants within the meaning of section 303 of the Tariff Act of 1930, as amended (19 U.S.C. 1303).

At that time, notice was given that hydrogenated castor oil or hydroxystearic acid, imported directly or indirectly from Brazil, if entered for consumption or withdrawn from warehouse for consumption on or after March 16, 1976, would be subject to the payment of countervailing duties equal to the net amount of any bounty or grant determined or estimated to have been paid or bestowed. In accordance with section 303 of the act and based on the information then available; the net amount of bounties or grants was determined to be 11.3 percent of f.o.b. or ex-works price to the United States.

On January 24, 1979, the Government of Brazil announced that it would undertake a 4-year program to eliminate its export payments, in the form of IPI credits, which have been determined by the Treasury to constitute bounties or grants. A reduction of 10 percent of the total value of these credits was made at that time, and an additional 5 percent reduction occurred on March 31, 1979. Further cuts of 5 percent each will be made quarterly until the entire value of these credits is completely eliminated by June 30, 1983. The Treasury will adjust the countervailing duty rate in the future to reflect these quarterly changes.

On the basis of these actions taken by the Government of Brazil to reduce the amount of IPI credits paid to exporters of the subject merchandise, it has been ascertained and determined that the net amount of benefits paid or bestowed, directly or indirectly, by the Government of Brazil on the exportation of hydrogenated castor oil and 12 hydroxystearic acid is 9.6 percent.

Accordingly, effective on (day of publication in the Federal Register) and until further notice, upon the entry for consumption or withdrawal from warehouse for consumption of such dutiable hydrogenated castor oil or 12 hydroxystearic acid, imported directly or indirectly from Brazil which benefit from such bounties or grants, there shall be col-

lected, in addition to any other duties estimated or determined to be due, countervailing duties in the amount ascertained in accordance with the above declaration.

Any merchandise subject to the terms of this declaration shall be deemed to have benefited from a bounty or grant if such bounty or grant has been or will be paid or credited, directly or indirectly, upon the manufacture, production, or exportation of such hydrogenated castor oil or 12 hydroxystearic acid from Brazil.

The table in section 159.47(f) of the Customs Regulations (19 CFR 159.47(f)) is amended by inserting after the last entry for "certain castor oil products" under the country heading "Brazil," the number of this Treasury decision in the column so headed and the words "New rate" in the column headed "Action".

(R.S. 251, section 303, as amended, 624; 46 Stat. 687, 759, 88 Stat. 2049; 19 U.S.C. 66, 1303, as amended, 1624).

Dated: May 10, 1979.

ROBERT H. MUNDHEIM,
General Counsel of the Treasury.

[Published in the Federal Register May 17, 1979 (44 F.R. 28790)]

(T.D. 79-146)

TITLE 19—CUSTOMS DUTIES

CHAPTER I—U.S. CUSTOMS SERVICE, DEPARTMENT OF THE TREASURY

PART 159—LIQUIDATION OF DUTIES

Cotton Yarn From Brazil—Declaration of Net Amount of Bounty or Grant

AGENCY: U.S. Customs Service, Treasury Department.

ACTION: Net amount of bounty or grant declared.

SUMMARY: This notice is to advise the public of the new rate of countervailing duty applicable to imports of cotton yarn from Brazil. Based upon a review of information received, the net amount of benefits given by the Government of Brazil which constitute bounties or grants within the meaning of the countervailing duty law upon the manufacture, production, or exportation of cotton yarn has been determined to be 17 percent of the f.o.b. or ex-works price to the United States. Accordingly, effective today, cotton yarn from Brazil will be subject to countervailing duty in accordance with this declaration.

EFFECTIVE DATE: May 17, 1979.

FOR FURTHER INFORMATION CONTACT: Mr. Charles F. Goldsmith, economist, Office of Tariff Affairs, U.S. Department of the

Treasury, 15th Street and Pennsylvania Avenue NW., Washington, D.C. 20220; telephone 202–566–2323.

SUPPLEMENTARY INFORMATION: In the Federal Register of June 21, 1977 (42 F.R. 31449), a notice, T.D. 77–161, was published stating that it had been determined that exports of cotton yarn from Brazil received bounties or grants within the meaning of section 303 of the Tariff Act of 1930, as amended (19 U.S.C. 1303).

At that time, notice was given that cotton yarn, imported directly or indirectly from Brazil, if entered for consumption or withdrawn from warehouse for consumption on or after June 21, 1977, would be subject to the payment of countervailing duties equal to the net amount of any bounty or grant determined or estimated to have been paid or bestowed. In accordance with section 303 of the act and based on the information then available, the net amount of bounties or grants was determined to be 19.6 percent of f.o.b. or ex-works price to the United States.

On January 24, 1979, the Government of Brazil announced that it would undertake a 4-year program to eliminate its export payments, in the form of IPI credits, which have been determined by the Treasury to constitute bounties or grants. A reduction of 10 percent of the total value of these credits was made at that time, and an additional 5 percent reduction occurred on March 31, 1979. Further cuts of 5 percent each will be made quarterly until the entire value of these credits is completely eliminated by June 30, 1983. The Treasury will adjust the countervailing duty rate in the future to reflect these quarterly changes.

On the basis of these actions taken by the Government of Brazil to reduce the amount of IPI credits paid to exporters of the subject merchandise, it has been ascertained and determined that the net amount of benefits paid or bestowed, directly or indirectly, by the Government of Brazil on the exportation of cotton yarn is 17 percent.

Accordingly, effective on (day of publication in the Federal Register) and until further notice, upon the entry for consumption or withdrawal from warehouse for consumption of such dutiable cotton yarn, imported directly or indirectly from Brazil which benefit from such bounties or grants, there shall be collected, in addition to any other duties estimated or determined to be due, countervailing duties in the amount ascertained in accordance with the above declaration.

Any merchandise subject to the terms of this declaration shall be deemed to have benefited from a bounty or grant if such bounty or grant has been or will be paid or credited, directly or indirectly, upon the manufacture, production, or exportation of such cotton yarn from Brazil.

The table in section 159.47(f) of the Customs Regulations (19 CFR 159.47(f)) is amended by inserting after the last entry for "cotton yarn" under the country heading "Brazil," the number of this Treasury decision in the column so headed and the words "New rate" in the column headed "Action."

(R.S. 251, section 303, as amended, 624; 46 Stat. 687, 759, 88 Stat. 2049; 19 U.S.C. 66, 1303, as amended, 1624).

Dated: May 10, 1979.

ROBERT H. MUNDHEIM,
General Counsel of the Treasury.

[Published in the Federal Register May 17, 1979 (44 F.R. 28790)]

(T.D. 79-147)

TITLE 19—CUSTOMS DUTIES

CHAPTER I—U.S. CUSTOMS SERVICE, DEPARTMENT OF THE TREASURY

PART 159—LIQUIDATION OF DUTIES

Non-rubber Footwear From Brazil—Declaration of Net Amount of Bounty or Grant

AGENCY: U.S. Customs Service, Treasury Department.

ACTION: Net amount of bounty or grant declared.

SUMMARY: This notice is to advise the public of the new rate of countervailing duty applicable to imports of nonrubber footwear from Brazil. Based upon a review of information received, the net amount of benefits given by the Government of Brazil which constitute bounties or grants within the meaning of the countervailing duty law upon the manufacture, production, or exportation of nonrubber footwear has been determined to be 10.6 percent of the f.o.b. or ex-works price to the United States of shoes manufactured by firms whose export sales account for 40 percent or less of the value of their total sales and 4.1 percent of the f.o.b. or ex-works price to the United States of shoes manufactured by firms whose export sales account for more than 40 percent of the value of their total sales. Accordingly, effective today, nonrubber footwear from Brazil will be subject to countervailing duty in accordance with this declaration.

EFFECTIVE DATE: May 17, 1979.

FOR FURTHER INFORMATION CONTACT: Mr. Charles F. Goldsmith, economist, Office of Tariff Affairs, U.S. Department of the Treasury, 15th Street and Pennsylvania Avenue NW., Washington, D.C. 20220; telephone 202-566-2323.

SUPPLEMENTARY INFORMATION: In the Federal Register of September 12, 1974 (39 F.R. 32903), a notice, T.D. 74–233, was published stating that it had been determined that exports of nonrubber footwear from Brazil received bounties or grants within the meaning of section 303 of the Tariff Act of 1930 (19 U.S.C. 1303).

At that time, notice was given that nonrubber footwear, imported directly or indirectly from Brazil, if entered for consumption or withdrawn from warehouse for consumption on or after October 25, 1974, would be subject to the payment of countervailing duties equal to the net amount of any bounty or grant determined or estimated to have been paid or bestowed. In accordance with section 303 of the act and based on the information then available, the net amount of bounties or grants was determined to be 12.3 percent of f.o.b. or ex-works price to the United States of shoes manufactured by firms whose export sales account for 40 percent or less of the value of their total sales and 4.8 percent of the f.o.b. or ex-works price to the United States of shoes manufactured by firms whose export sales account for more than 40 percent of the value of their total sales.

On January 24, 1979, the Government of Brazil announced that it would undertake a 4-year program to eliminate its export payments, in the form of IPI credits, which have been determined by the Treasury to constitute bounties or grants. A reduction of 10 percent of the total value of these credits was made at that time, and an additional 5 percent reduction occurred on March 31, 1979. Further cuts of 5 percent each will be made quarterly until the entire value of these credits is completely eliminated by June 30, 1983. The Treasury will adjust the countervailing duty rate in the future to reflect these quarterly changes.

On the basis of these actions taken by the Government of Brazil to reduce the amount of IPI credits paid to exporters of the subject merchandise, it has been ascertained and determined that the net amount of benefits paid or bestowed, directly or indirectly, by the Government of Brazil on the exportation of nonrubber footwear is 10.6 percent for the former category described above and 4.1 percent for the latter category described above.

Accordingly, effective on (day of publication in the Federal Register) and until further notice, upon the entry for consumption or withdrawal from warehouse for consumption of such dutiable nonrubber footwear, imported directly or indirectly from Brazil which benefit from such bounties or grants, there shall be collected, in addition to any other duties estimated or determined to be due, countervailing duties in the amount ascertained in accordance with the above declaration.

Any merchandise subject to the terms of this declaration shall be deemed to have benefited from a bounty or grant if such bounty or

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grant has been or will be paid or credited, directly or indirectly, upon the manufacture, production, or exportation of such nonrubber footwear from Brazil.

The table in section 159.47(f) of the Customs Regulations (19 CFR 159.47(f)) is amended by inserting after the last entry for "nonrubber footwear" under the country heading "Brazil," the number of this Treasury decision in the column so headed and the words "New rate" in the column headed "Action."

(R.S. 251, section 303, as amended, 624; 46 Stat. 687, 759, 88 Stat. 2049; 19 U.S.C. 66, 1303, as amended, 1624.)

Dated: May 10, 1979.

ROBERT H. MUNDHEIM,
General Counsel of the Treasury.

[Published in the Federal Register May 17, 1979 (44 F.R. 28791)]

(T.D. 79-148)

TITLE 19—CUSTOMS DUTIES

CHAPTER I—U.S. CUSTOMS SERVICE, DEPARTMENT OF THE TREASURY

PART 159—LIQUIDATION OF DUTIES

Scissors and Shears from Brazil—Declaration of Net Amount of Bounty or Grant

AGENCY: U.S. Customs Service, Treasury Department.

ACTION: Net amount of bounty or grant declared.

SUMMARY: This notice is to advise the public of the new rate of countervailing duty applicable to imports of scissors and shears from Brazil. Based upon a review of information received, the net amount of benefits given by the Government of Brazil which constitute bounties or grants within the meaning of the countervailing duty law upon the manufacture, production, or exportation of scissors and shears has been determined to be 13.8 percent of the f.o.b. or ex-works price to the United States. Accordingly, effective today, scissors and shears from Brazil will be subject to countervailing duty in accordance with this declaration.

EFFECTIVE DATE: May 17, 1979.

FOR FURTHER INFORMATION CONTACT: Mr. Charles F. Goldsmith, economist, Office of Tariff Affairs, U.S. Department of the Treasury, 15th Street and Pennsylvania Avenue NW., Washington, D.C. 20220; telephone 202-566-2323.

SUPPLEMENTARY INFORMATION: In the Federal Register of June 21, 1977 (42 F.R. 31449), a notice, T.D. 77-162, was published

stating that it had been determined that exports of scissors and shears from Brazil received bounties or grants within the meaning of section 303 of the Tariff Act of 1930, as amended (19 U.S.C. 1303).

At that time, notice was given that scissors and shears, imported directly or indirectly from Brazil, if entered for consumption or withdrawn from warehouse for consumption on or after February 11, 1977, would be subject to the payment of countervailing duties equal to the net amount of any bounty or grant determined or estimated to have been paid or bestowed. In accordance with section 303 of the act and based on the information then available, the net amount of bounties or grants was determined to be 15.8 percent of f.o.b. or ex-works price to the United States.

On January 24, 1979, the Government of Brazil announced that it would undertake a 4-year program to eliminate its export payments, in the form of IPI credits, which have been determined by the Treasury to constitute bounties or grants. A reduction of 10 percent of the total value of these credits was made at that time, and an additional 5 percent reduction occurred on March 31, 1979. Further cuts of 5 percent each will be made quarterly until the entire value of these credits is completely eliminated by June 30, 1983. The Treasury will adjust the countervailing duty rate in the future to reflect these quarterly changes.

On the basis of these actions taken by the Government of Brazil to reduce the amount of IPI credits paid to exporters of the subject merchandise, it has been ascertained and determined that the net amount of benefits paid or bestowed, directly or indirectly, by the Government of Brazil on the exportation of scissors and shears is 13.8 percent.

Accordingly, effective on (date of publication in the Federal Register) and until further notice, upon the entry for consumption or withdrawal from warehouse for consumption of such dutiable scissors and shears, imported directly or indirectly from Brazil which benefit from such bounties or grants, there shall be collected, in addition to any other duties estimated or determined to be due, countervailing duties in the amount ascertained in accordance with the above declaration.

Any merchandise subject to the terms of this declaration shall be deemed to have benefited from a bounty or grant if such bounty or grant has been or will be paid or credited, directly or indirectly, upon the manufacture, production, or exportation of such scissors and shears from Brazil.

The table in section 159.47(f) of the Customs Regulations (19 CFR 159.47(f)) is amended by inserting after the last entry for "scissors and shears" under the country heading "Brazil," the number of this

Treasury decision in the column so headed and the words "New rate" in the column headed "Action."

(R.S. 251, section 303, as amended, 624; 46 Stat. 687, 759, 88 Stat. 2049; 19 U.S.C. 66, 1303, as amended, 1624).

Dated: May 10, 1979.

ROBERT H. MUNDHEIM,
General Counsel of the Treasury.

[Published in the Federal Register May 17, 1979 (44 F.R. 28792)]

T.D. 79-149

TITLE 19—CUSTOMS DUTIES

CHAPTER I—UNITED STATES CUSTOMS SERVICE, DEPARTMENT OF THE TREASURY

PART 153—ANTIDUMPING

Perchlorethylene From France

AGENCY: U.S. Treasury Department.

ACTION: Finding of dumping.

SUMMARY: This notice is to in form the public that separate investigations conducted under the Antidumping Act, 1921, as amended, by the U.S. Treasury Department and the U.S. International Trade Commission, respectively, have resulted in determinations that perchlorethylene from France is being sold at less than fair value and that these sales are injuring an industry in the United States. On this basis, a finding of dumping is being issued and, generally, all unappraised entries of this merchandise will be liable for the possible assessment of special dumping duties.

EFFECTIVE DATE: May 18, 1979.

FOR FURTHER INFORMATION CONTACT: Mary Clapp, operations officer, Duty Assessment Division, U.S. Customs Service, 1301 Constitution Avenue NW., Washington, D.C. 20229; 202-566-5492.

SUPPLEMENTARY INFORMATION: Section 201(a) of the Antidumping Act, 1921, as amended (19 U.S.C. 160(a)) (referred to in this notice as "the act"), gives the Secretary of the Treasury responsibility for determining whether imported merchandise is being sold at less than fair value. Pursuant to this authority, the Secretary has determined that perchlorethylene from France is being sold at less than fair value within the meaning of section 201(a) of the act (19 U.S.C. 160(a)). (Published in the Federal Register of February 2, 1979 (44 F.R. 6822).)

Section 201(a) of the act (19 U.S.C. 160(a)) gives the U.S. International Trade Commission responsibility for determining whether, by reason of such sales at less than fair value, a domestic industry is being or is likely to be injured. The Commission has determined, and on April 30, 1979, it notified the Secretary of the Treasury that an industry in the United States is being injured by reason of the importation of perchlorethylene from France that is being sold at less than fair value within the meaning of the act. Notice of this determination was published in the Federal Register of May 4, 1979 (44 F.R. 26217).

On behalf of the Secretary of the Treasury, I hereby make public these determinations which constitute a finding of dumping with respect to perchlorethylene from France.

For purposes of this notice, the term "perchlorethylene" refers to perchlorethylene, including technical grade perchlorethylene, provided for in item No. 429.3400, Tariff Schedules of the United States Annotated.

Accordingly, section 153.46 of the Customs Regulations (19 CFR 153.46) is being amended by adding the following to the list of findings of dumping currently in effect:

Merchandise	Country	Treasury Decision
Perchlorethylene	France	79–149

(Sec. 201, 407, 42 Stat. 11, as amended, 18 (19 U.S.C. 160, 173)).

Dated: May 14, 1979.

ROBERT H. MUNDHEIM,
General Counsel of the Treasury.

[Published in the Federal Register May 18, 1979 (44 F.R. 29045)]

(T.D. 79–150)

TITLE 19—CUSTOMS DUTIES

CHAPTER I—U.S. CUSTOMS SERVICE, DEPARTMENT OF THE TREASURY

PART 153—ANTIDUMPING

Perchlorethylene From Belgium

AGENCY: U.S. Treasury Department.

ACTION: Finding of dumping.

SUMMARY: This notice is to inform the public that separate in-

vestigations conducted under the Antidumping Act, 1921, as amended, by the U.S. Treasury Department and the U.S. International Trade Commission, respectively, have resulted in determinations that perchlorethylene from Belgium is being sold at less than fair value and that these sales are injuring an industry in the United States. On this basis, a finding of dumping is being issued and, generally, all unappraised entries of this merchandise will be liable for the possible assessment of special dumping duties.

EFFECTIVE DATE: May 18, 1979.

FOR FURTHER INFORMATION CONTACT: Leon McNeill, operations officer, Duty Assessment Division, U.S. Customs Service, 1301 Constitution Avenue NW., Washington, D.C. 20229; 202–566–5492.

SUPPLEMENTARY INFORMATION: Section 201(a) of the Antidumping Act, 1921, as amended (19 U.S.C. 160(a)) (referred to in this notice as the act), gives the Secretary of the Treasury responsibility for determining whether imported merchandise is being sold at less than fair value. Pursuant to this authority, the Secretary has determined that perchlorethylene from Belgium is being sold at less than fair value within the meaning of section 201(a) of the act (19 U.S.C. 160(a)). (Published in the Federal Register of February 2, 1979 (44 F.R. 6821).)

Section 201(a) of the act (19 U.S.C. 160(a)) gives the U.S. International Trade Commission responsibility for determining whether, by reason of such sales at less than fair value, a domestic industry is being or is likely to be injured. The Commission has determined, and on April 30, 1979, it notified the Secretary of the Treasury that an industry in the United States is being injured by reason of the importation of perchlorethylene from Belgium that is being sold at less than fair value within the meaning of the act. Notice of this determination was published in the Federal Register of May 4, 1979 (44 F.R. 26217).

On behalf of the Secretary of the Treasury, I hereby make public these determinations which constitute a finding of dumping with respect to perchlorethylene from Belgium.

For purposes of this notice, the term "perchlorethylene" refers to perchlorethylene, including technical grade perchlorethylene, provided for in item No. 429.3400, Tariff Schedules of the United States Annotated.

Accordingly, section 153.46 of the Customs Regulations (19 CFR 153.46) is being amended by adding the following to the list of findings of dumping currently in effect:

Merchandise	Country	Treasury Decision
Perchlorethylene	Belgium	79–150

(Sec. 201, 407, 42 Stat. 11, as amended, 18 (19 U.S.C. 160, 173)).

Dated: May 14, 1979.

ROBERT H. MUNDHEIM,
General Counsel of the Treasury.

[Published in the Federal Register May 18, 1979 (44 F.R. 29045)]

(T.D. 79–151)

TITLE 19—CUSTOMS DUTIES

CHAPTER I—U.S. CUSTOMS SERVICE, DEPARTMENT OF THE TREASURY

PART 153—ANTIDUMPING

Perchlorethylene from Italy

AGENCY: U.S. Treasury Department.

ACTION: Finding of dumping.

SUMMARY: This notice is to inform the public that separate investigations conducted under the Antidumping Act, 1921, as amended, by the U.S. Treasury Department and the U.S. International Trade Commission, respectively, have resulted in determinations that perchlorethylene from Italy is being sold at less than fair value and that these sales are injuring an industry in the United States. On this basis, a finding of dumping is being issued and, generally, all unappraised entries of this merchandise will be liable for the possible assessment of special dumping duties.

EFFECTIVE DATE: May 18, 1979.

FOR FURTHER INFORMATION CONTACT: David Chapman, operations officer, Duty Assessment Division, U.S. Customs Service, 1301 Constitution Avenue NW., Washington, D.C. 20229; 202–566–5492.

SUPPLEMENTARY INFORMATION: Section 201(a) of the Antidumping Act, 1921, as amended (19 U.S.C. 160(a)) (referred to in this notice as the act), gives the Secretary of the Treasury responsibility for determining whether imported merchandise is being sold at less than fair value. Pursuant to this authority, the Secretary has determined that perchlorethylene from Italy is being sold at less than fair value within the meaning of section 201(a) of the act (19 U.S.C.

160(a)). (Published in the Federal Register of February 2, 1979 (44 F.R. 6823).)

Section 201(a) of the act (19 U.S.C. 160(a)) gives the U.S. International Trade Commission responsibility for determining whether, by reason of such sales at less than fair value, a domestic industry is being or is likely to be injured. The Commission has determined, and on April 30, 1979, it notified the Secretary of the Treasury that an industry in the United States is being injured by reason of the importation of perchlorethylene from Italy that is being sold at less than fair value within the meaning of the act. Notice of this determination was published in the Federal Register of May 4, 1979 (44 F.R. 26217).

On behalf of the Secretary of the Treasury, I hereby make public these determinations which constitute a finding of dumping with respect to perchlorethylene from Italy.

For purposes of this notice, the term "perchlorethylene" refers to perchlorethylene, including technical grade perchlorethylene, provided for in item No. 429.3400, Tariff Schedules of the United States Annotated.

Accordingly, section 153.46 of the Customs Regulations (19 CFR 153.46) is being amended by adding the following to the list of findings of dumping currently in effect:

Merchandise	Country	Treasury Decision
Perchlorethylene	Italy	79–151

(Sec. 201, 407, 42 Stat. 11, as amended, 18 (19 U.S.C. 160, 173)).

Dated: May 14, 1979.

ROBERT H. MUNDHEIM,
General Counsel of the Treasury.

[Published in the Federal Register May 18, 1979 (44 F.R. 29046)]

(T.D. 79–152)

Cotton Textile Products—Restriction on Entry

Restriction on entry of cotton textile products manufactured or produced in Brazil

There is published below a directive of April 6, 1979, received by the Commissioner of Customs from the chairman, Committee for the Implementation of Textile Agreements, concerning restriction on entry of cotton textile products in certain categories manufactured or produced in Brazil.

This directive was published in the Federal Register on April 11, 1979 (44 F.R. 21694), by the committee.

(QUO–2–1)

Dated: May 16, 1979.

WILLIAM D. SLYNE
(For Ben L. Irvin, Acting
Director, Duty Assessment Division).

U.S. DEPARTMENT OF COMMERCE,
THE ASSISTANT SECRETARY FOR INDUSTRY AND TRADE,
Washington, D.C., April 6, 1979.

Committee for the Implementation of Textile Agreements

COMMISSIONER OF CUSTOMS,
Department of the Treasury,
Washington, D.C. 20229.

DEAR MR. COMMISSIONER: Under the terms of the Arrangement Regarding International Trade in Textiles done at Geneva on December 20, 1973, as extended on December 14, 1977; pursuant to the Bilateral Cotton Textile Agreement of April 22, 1976, as amended and extended, between the Governments of the United States and the Federative Republic of Brazil; and in accordance with the provisions of Executive Order 11651 of March 3, 1972, as amended by Executive Order 11951 of January 6, 1977, you are directed to prohibit, effective on April 10, 1979, and for the 12-month period which began on April 1, 1979, and extends through March 31, 1980, entry into the United States for consumption and withdrawal from warehouse for consumption of cotton textile products, exported from Brazil in the following categories, in excess of the indicated 12-month levels of restraint:

Category	*12-month level of restraint*[1]	
313	18,743,158	square yards
339	227,215	dozen
359	217,391	pounds
369[2]	628,500	pounds

In carrying out this directive, entries of cotton textile products in the foregoing categories, produced or manufactured in Brazil, which have been exported to the United States prior to April 1, 1979, shall, to the extent of any unfilled balances, be charged against the levels of restraint established for such goods during the 12-month period which

[1] The levels of restraint have not been adjusted to account for any entries after Mar. 31, 1979.

[2] In category 369, only TSUSA Nos. 360.2000, 360.2500, 360.3000, 360.7610, 360.8100, 361.0510, 361.1820, 361.5000, 361.5420, and 361.5630.

began on April 1, 1978, and extended through March 31, 1979. In the event that the levels of restraint established for that period have been exhausted by previous entries, such goods shall be subject to the levels set forth in this letter.

Cotton textile products in the foregoing categories that have been released from the custody of the U.S. Customs Service under the provisions of 19 U.S.C. 1448(b) or 1484(a)(1)(A) prior to the effective-date of this directive shall not be denied entry under this directive.

The levels of restraint set forth above are subject to adjustment in the future according to the provisions of the bilateral agreement of April 22, 1976, as amended and extended, between the Governments of the United States and the Federative Republic of Brazil, which provide, in part, that: (1) Within the aggregate and applicable group limits, specific limits may be exceeded by designated percentages; (2) specific ceilings may be increased within the aggregate and applicable group limits upon agreement between the two governments; and (4) administrative arrangements or adjustments may be made to resolve minor problems arising in the implementation of the agreement. Any appropriate future adjustments under the foregoing provisions of the bilateral agreement will be made to you by letter.

A detailed description of the textile categories in terms of TSUSA numbers was published in the Federal Register on January 4, 1978 (43 F.R. 884), as amended on January 25, 1978 (43 F.R. 3421), March 3, 1978 (43 F.R. 8828), June 22, 1978 (43 F.R. 26773), September 5, 1978 (43 F.R. 39408), January 2, 1979 (44 F.R. 94), and March 22, 1979 (44 F.R. 17545).

In carrying out the above directions, entry in the United States for consumption shall be construed to include entry for consumption into the Commonwealth of Puerto Rico.

The actions taken with respect to the Government of the Federative Republic of Brazil and with respect to imports of cotton textiles and cotton textile products from Brazil have been determined by the Committee for the Implementation of Textile Agreements to involve foreign affairs functions of the United States. Therefore, the directions to the Commissioner of Customs, being necessary to the implementation of such actions, fall within the foreign affairs exception to the rulemaking provisions of 5 U.S.C. 553. This letter will be published in the Federal Register.

Sincerely,

RONALD I. LEVIN,
Acting Chairman, Committee for the Implementation of Textile Agreements.

(T.D. 79–153)

Foreign Currencies—Variances From Quarterly Rate

Rates of exchange based upon rates certified to the Secretary of the Treasury by the Federal Reserve Bank of New York

The following rates of exchange are based upon rates certified to the Secretary of the Treasury by the Federal Reserve Bank of New York, pursuant to section 522(c), Tariff Act of 1930, as amended (31 U.S.C. 372(c)), and reflect variances of 5 per centum or more from the quarterly rate published in T.D. 79–16 for the following countries. Therefore, as to entries covering merchandise exported on the dates listed, whenever it is necessary for Customs purposes to convert such currency into currency of the United States, conversion shall be at the following rates:

Japan yen:	
May 1, 1979	$0.004456
May 2, 1979	.004445
May 3, 1979	.004448

(LIQ–3–O:D:E)

Dated: May 15, 1979.

BEN L. IRVIN,
Acting Director,
Duty Assessment Division.

(T.D. 79–154)

Foreign Currencies—Daily Rates for Countries not on Quarterly List

Rates of exchange based on rates certified to the Secretary of the Treasury by the Federal Reserve Bank of New York for the Hong Kong dollar, Iran rial, People's Republic of China yuan, Philippines peso, Singapore dollar, Thailand baht (tical)

The Federal Reserve Bank of New York, pursuant to section 522(c), Tariff Act of 1930, as amended (31 U.S.C. 372(c)), has certified buying rates for the dates and foreign currencies shown below. The rates of exchange, based on these buying rates, are published for the information and use of Customs officers and others concerned pursuant to part 159, subpart C, Customs Regulations (19 CFR, 159, subpart C).

Brazil cruziero:	
May 4, 1979	$0.0420
People's Republic of China yuan:	
April 30, 1979	$0.628220
May 1–4, 1979	.628220

Hong Kong dollar:	
April 30, 1979	$0.198610
May 1, 1979	.197064
May 2, 1979	.197628
May 3, 1979	.197550
May 4, 1979	.197804
Iran rial:	
April 30, 1979	$0.013350
May 1–3, 1979	.013350
May 4, 1979	.013975
Philippines peso:	
April 30, 1979	$0.1365
May 1–4, 1979	.1365
Singapore dollar:	
April 30, 1979	$0.451875
May 1, 1979	.452284
May 2, 1979	.451467
May 3, 1979	.451569
May 4, 1979	.452386
Thailand baht (tical):	
April 30, 1979	$0.0488
May 1–3, 1979	.0488
May 4, 1979	.0490

(LIQ–3–O:D:E)

Dated: May 15, 1979.

BEN L. IRVIN,
Acting Director,
Duty Assessment Division.

U.S. Customs Service

Proposed Rulemaking

(19 CFR Part 146)

Foreign-Trade Zones

Proposed rule relating to processing costs incurred in foreign-trade zones

AGENCY: U.S. Customs Service, Department of the Treasury.

ACTION: Proposed rule.

SUMMARY: Customs includes the coat of processing "nonprivileged" merchandise in a foreign-trade zone, and profit realized, in the dutiable value of that merchandise when it enters the customs territory of the United States. The present policy results in Customs assessing duty on the costs of American labor, overhead and facilities, and profit. This document requests the public to comment on a proposal to change Customs appraisement practice so as to exclude the cost of processing and profit realized in a foreign-trade zone when determining the dutiable value of articles produced entirely from nonprivileged merchandise (whether foreign or domestic), or from a combination of nonprivileged and privileged merchandise (whether foreign or domestic).

DATE: Comments must be received on or before (July 20, 1979).

ADDRESS: Written comments should be addressed to the Commissioner of Customs, Attention: Regulations and Legal Publications Division, U.S. Customs Service, room 2335, 1301 Constitution Avenue NW., Washington, D.C. 20229.

FOR FURTHER INFORMATION CONTACT: Thomas Lobred, Classification and Value Division, U.S. Customs Service, 1301 Constitution Avenue NW., Washington, D.C. 20229; 202–566–2938.

SUPPLEMENTARY INFORMATION:

BACKGROUND

Foreign-trade zones (zones) are established under the Foreign-Trade Zones Act (19 U.S.C. 81a–81u) and the general regulations and rules of procedure of the Foreign-Trade Zones Board contained in 15 CFR part 400. Part 146 of the Customs Regulations (19 CFR part 146)

governs the admission of merchandise into a zone; manipulation, manufacture, or exhibition of merchandise in a zone, exportation of merchandise from a zone; and transfer of merchandise from a zone into the customs territory of the United States (customs territory).

Foreign or domestic merchandise may be admitted into a zone for, among other things, manipulation, manufacture, assembly, or other processing, or for storage or exhibition, provided these operations are not otherwise prohibited by law. Normal Customs entry procedures and payment of duty are not required for merchandise located in a zone unless and until the merchandise is removed from a zone and entered into the customs territory.

Upon approval of the required application filed with the district director of Customs (19 CFR part 146, subpart C), foreign or domestic merchandise may attain "privileged" status. Privileged foreign merchandise is subject to appraisement and tariff classification according to its condition and quantity, and to the rates of duty and tax in force, on the date the application is filed with the district director, regardless of when the merchandise actually leaves the zone and enters the customs territory. Privileged domestic merchandise may be returned to the customs territory free of quota, duty, or tax. A component of foreign privileged merchandise would be appraised and dutiable in its character and condition on the date the application is filed for privileged status. A component of domestic privileged merchandise would not be included in the dutiable value of the article.

Merchandise admitted to a zone which is not accorded "privileged" status or "zone-restricted" status (as set forth in section 146.25, Customs Regulations (19 CFR 146.25)) is "nonprivileged." Section 146.48(e), Customs Regulations (19 CFR 146.48(e)), sets forth the appraisement and tariff classification treatment of articles composed solely of nonprivileged merchandise (whether foreign or domestic) and articles composed both of privileged and nonprivileged merchandise (whether foreign or domestic). Under section 146.48(e), an article composed in whole or in part of nonprivileged merchandise is subject to appraisement and tariff classification according to its character and condition at the time of its "constructive transfer" to the customs territory. A "constructive transfer" means that the merchandise is considered to have been transferred to the customs territory without physical removal from the zone, and takes place upon approval of the required application by the district director.

Section 146.48(e) requires the dutiable value of nonprivileged merchandise to be determined under section 402 or 402a of the Tariff Act of 1930, as amended (19 U.S.C. 1401a, 1402). Labor and overhead costs incurred, and profit realized, in the zone are included in the dutiable value of articles composed entirely of, or derived entirely

from, foreign or domestic nonprivileged merchandise, and articles composed in part of, or derived in part from, foreign or domestic nonprivileged merchandise and in part of or from foreign or domestic privileged merchandise.

Processing costs and profit attributable to nonprivileged merchandise or nonprivileged components are included in the dutiable value of the article when it subsequently enters the customs territory. Since 1954, Customs has ruled (T.D. 53493(2)) that when privileged and nonprivileged components (foreign or domestic) are combined in a zone to produce an article, the processing costs incurred must be distributed between the privileged and nonprivileged components according to their relative values. Consequently, the effect of section 146.48(e) is to assess duty on the use of American labor and facilities, overhead expenses and profit, thus increasing the cost of utilizing a zone.

An advance notice of proposed rulemaking inviting comments on the advisability of changing current Customs appraisement practice to exclude the cost of American labor, overhead and facilities, and profit when determining the dutiable value of articles produced entirely or in part from nonprivileged foreign merchandise in a zone was published in the Federal Register on October 4, 1978 (43 F.R. 45885). The vast majority of the comments received favored the proposed change in appraisement practice (proposal) as set forth in the advance notice.

DISCUSSION OF POSSIBLE ECONOMIC EFFECTS

The present appraisement method by which Customs duties are assessed is considered by most zone proponents to be a deterrent to the establishment of new facilities in zones, and an impediment to the avowed purposes of zones, to help expand U.S. employment and U.S. foreign commerce and to assist American business by enabling the processing and manufacture of certain types of articles at lower costs. However, those opposed to the proposal argue that it would lead to a net loss of jobs in the United States and would result in economic injury to U.S. manufacturers of parts and components, as well as to U.S. manufacturers of finished products. The question to be analyzed, therefore, is whether the proposal will indeed lead to a net increase in U.S. employment and lower costs for U.S. industries, or whether it would be counterproductive. The answer to this question requires a determination of (1) who would benefit from the proposal and (2) who would be affected adversely by the change.

Generally, most zone proponents view the proposal as instrumental to the fulfillment of the congressional objective underlying the establishment of the zones, namely the expansion of U.S. industry and labor.

Also, adoption of the proposal is considered to be anti-inflationary, and could provide greater investment opportunities in the United States as well as increased employment and additional tax revenues.

Effect on U.S. manufacturers

At present, only about 10 percent of the space in zones is used for manufacturing. The proposal likely will result in the opening of new manufacturing/assembly facilities in a zone and perhaps requests for the establishment of new zones. Industries which would benefit most are those that normally request nonprivileged status for foreign parts and components because the parts and components have higher duty rates than the finished products. Under present appraisement practice, these industries are able to bring high-duty foreign parts and components into a zone, process or manufacture them into a finished product, and pay the (lower) duty rate of the finished product. Implementation of the proposal (in which U.S. labor, processing, and profit would not be dutiable) could result in significant cost savings for those industries, and could provide further incentives for those industries to establish or expand their processing or manufacturing capabilities in zones. Moreover, some U.S. manufacturers could realize cost savings by switching processing/manufacturing operations from foreign localities to zones in the United States.

A number of companies have indicated that the proposal would be of importance in any decision to expand or establish operations in a zone. Specifically, firms producing the following products and product parts could be encouraged by adoption of the proposal to increase their usage of zones: Automobiles, motorcycles, snowmobiles, computers, electronics and audio equipment, television receivers and components, scientific instruments, medical equipment and supplies, watches, cameras, typewriters, piano components, meatpacking, textiles, and athletic footwear. To reiterate, the expansion of these industries into zones could lead to significant growth in zone operations due to the structure of the Tariff Schedules of the United States (TSUS) (19 U.S.C. 1202), which, because of higher duties on some foreign parts and components rather than on finished products, sometimes may serve as a disincentive to assembly or manufacturing in the United States. In addition, some U.S. manufacturers of parts and components also could stand to benefit from adoption of the proposed rulemaking, since over a period of time there could be some substitution of U.S. parts and components for foreign parts and components in the zones.

On the other hand, it is possible that some U.S. manufacturers of parts and components as well as of finished products could be affected adversely by the proposal. By making the utilization of (nonprivileged) foreign parts and components immediately more attractive, the

proposal could lead to the substitution of foreign parts and components for U.S. parts and components. However, the Foreign-Trade Zones Board, U.S. Department of Commerce, has the authority to screen carefully operations in zones to assure that they do not harm the public interest.

The proposal also could benefit manufacturers in certain geographical areas. This could occur because the proposal would end current disparities resulting from the location of some zones in areas where real estate and labor costs are high.

Effect on employment

Approximately 5,000 persons currently are employed in zones. The number of new jobs that could be created by the proposal is unknown. However, any gain in employment could be diminished somewhat by a possible loss in employment if there were a major shift away from U.S. parts manufacturers in favor of increased usage of foreign parts. On the other hand, it is likely that the proposal could encourage a number of U.S. manufacturers not to move their operations overseas, or encourage them to reestablish operations in the United States which are currently offshore. It also could encourage foreign companies who presently ship finished products to the United States to set up operations within the United States. In this way, employment in the United States could be increased.

Effect on foreign investment in the United States

With regard to the question of new foreign investment created by the proposal, indications are that there could be some increase in that investment, although the extent to which foreign companies increasingly would invest in the United States is unknown.

Effect on U.S. imports

The effect of the proposal on U.S. imports could be to increase U.S. imports of foreign parts and components into zones, while causing a decrease in imports of finished products. During fiscal year 1977, approximately $180 million in foreign parts, components, and malleable, transformable materials (excluding crude petroleum) entered zones. It is possible that those imports into zones could increase substantially over the next few years if the appraisement practice were to be changed.

Effect on U.S. exports

One of the major reasons for the establishment of zones was to encourage U.S. exports by enabling foreign parts and components to be imported duty-free and combined with U.S. materials to produce finished products for export. This procedure is the current rationale for setting up zones in developing countries, where labor is less costly,

unemployment is high, and manufacturing/export capabilities are desired. In U.S. zones, however, exports and reexports have not been especially prominent; in fiscal year 1978, about 31 percent of goods forwarded from zones were exported. It is anticipated that the proposal will have only a marginal impact on exports, since it applies only to valuation of goods which are imported. Any increase in exports which would occur would be a result of the anticipated increase of activity within the zones.

Effect on Customs revenues

The proposal could lead to a net decrease in Customs revenues. Not only would the U.S. cost of labor, processing, and profit no longer be dutiable, but also high-duty foreign parts and components increasingly could be transformed in zones into lower-duty finished products. Moreover, the expected decrease in finished products directly entering the United States could lead to lower revenues. However, this net decrease in revenue is expected to be somewhat offset by the increased volume and value of foreign goods which might be processed and transformed in zones, due to the upsurge in manufacturing and other activity which is anticipated.

Effect on the U.S. balance of trade

The proposal is likely to have a positive benefit on the U.S. balance of trade. Although the change could lead to some increase in zone imports of parts, components, and raw materials, there also could be a resulting decrease in direct imports of finished products; thus, the net value of direct imports could decrease, since the values of imported parts, et cetera, would be lower than the value of finished products. Moreover, some of the new manufacturing which could occur in zones due to the change ultimately may be exported, which again could benefit the balance of trade.

Effect on the general U.S. economy

The proposal, to the extent that it lowers the cost of processing and manufacturing in the United States, is anti-inflationary. In addition, the proposal could afford an added tax base provided there is an increase in employment and the scope of operations in the zones. Above all, the proposal could contribute to increased assembly and manufacturing in the United States by both U.S. and foreign firms.

Circumvention of quotas

It is possible that adoption of the proposal, resulting in the increased use of zones, could lead to the circumvention of existing "quotas." Depending on the specific language of a particular quota provision, foreign producers may export "quota" goods to zones, process them,

and then transport the finished article into the United States free of any quantitative restriction.

Conclusion

Although the proposal could lead to some substitution of foreign parts and components for domestic ones, or could result in some circumvention of import quotas, it is anticipated that the proposal would be beneficial to U.S. industries, employment, and the general U.S. economy, by attracting increased assembly and manufacturing operations to the United States. Customs is particularly interested in comments which might affect this conclusion and will fully consider all such information before making a final desision on this matter. These comments should be as specific as possible.

AUTHORITY

This amendment is proposed under the authority of R.S. 251, as amended (19 U.S.C. 66), and section 8, 48 Stat. 1000 (19 U.S.C. 81h).

COMMENTS

Customs invites written comments (preferably in quadruplicate) from all interested parties on the proposal to change its appraisement practice so as to exclude the cost of processing and profit when determining the dutiable value of articles produced entirely or in part from nonprivileged components in zones. Comments are desired particularly on the possible economic effects of the proposal. Comments made on the advance notice of proposed rulemaking will be considered to have been made in response to this notice and will be considered fully before deciding on whether a final rule should be published. Accordingly, unless the commenters to the advance notice wish to provide additional comments or elaborate on previously made comments, they need not respond to this notice.

Comments submitted will be available for public inspection in accordance with section 103.8(b), Customs Regulations (19 CFR 103.8(b)), during regular business hours at the Regulations and Legal Publications Division, room 2335, headquarters, U.S. Customs Service, 1301 Constitution Avenue NW., Washington, D.C. 20229.

INAPPLICABILITY OF E.O. 12044

The document is not subject to the Department of Treasury directive implementing Executive Order 12044, Improving Government Regulations, because the regulation was in the process of preparation prior to May 22, 1978.

DRAFTING INFORMATION

The principal author of this document was Todd J. Schneider, Regulations and Legal Publications Division, Office of Regulations

and Rulings, U.S. Customs Service. However, personnel from other Customs offices and the Treasury Department participated in its development.

PROPOSED AMENDMENT

It is proposed to amend section 146.48(e), Customs Regulations (19 CFR 146.48(e)), by replacing the period at the end of the section with a comma and adding the following:

146.48 Treatment of merchandise not elsewhere provided for in this subpart.

* * * * * * *

(e) *Appraisement and tariff classification.* * * * except that the processing costs incurred, and the profit realized, in a foreign-trade zone shall be excluded when determining the dutiable value of articles produced entirely from nonprivileged merchandise (whether foreign or domestic), or from a combination of nonprivileged and privileged merchandise (whether foreign or domestic).

ROBERT E. CHASEN,
Commissioner of Customs.

Approved: April 24, 1979.

RICHARD J. DAVIS,
Assistant Secretary of the Treasury.

[Published in the Federal Register May 21, 1979 (44 F.R. 29489)]

(19 CFR Part 4)

Proposed Amendment to the Customs Regulations Concerning Fee Schedule for Vessel Services

AGENCY: U.S. Customs Service, Department of the Treasury.

ACTION: Proposed rule.

SUMMARY: Recent legislation repealed several statutes under which Customs charged and collected fees for specific services provided to vessels by Customs officers. This legislation authorized the Secretary of the Treasury to establish a new schedule of fees to return to the Government the approximate costs of the services.

This document proposes (1) a new fee schedule to be used for the remainder of 1979 and (2) amendments to the Customs Regulations to provide that a revised fee schedule will be published in December 1979, to be used by Customs in charging and collecting fees for services provided to vessels in 1980, and that a new fee schedule will be published in December of each year thereafter for services provided during the following year.

DATE: Comments must be received on or before (30 days from the date of publication in the Federal Register).

ADDRESS: Comments (preferably in triplicate) may be addressed to the Commissioner of Customs, Attention: Regulations and Legal Publications Division, U.S. Customs Service, 1301 Constitution Avenue NW., room 2335, Washington, D.C. 20229.

FOR FURTHER INFORMATION CONTACT: Jerry Laderberg, Carriers, Drawback, and Bonds Division, U.S. Customs Service, 1301 Constitution Avenue NW., Washington, D.C. 20229; 202-566-5706.

SUPPLEMENTARY INFORMATION:

BACKGROUND

Public Law 95-410, the "Customs Procedural Reform and Simplification Act of 1978," approved October 3, 1978 (the act), repealed sections 2654, 4381, 4382, and 4383 of the Revised Statutes of the United States (19 U.S.C. 58; 46 U.S.C. 329, 330, and 333), the statutory authority under which Customs has been charging and collecting fees for specific services provided to vessels by Customs officers. These fees, designated as "Navigation Fees" in section 4.98(a), Customs Regulations (19 CFR 4.98(a)), are as follows:

Fee No.	Description of services	A	B
1	Entry of vessel, including American, from foreign port (19 U.S.C. 58):		
	(a) Less than 100 net tons	$1.50	----------
	(b) 100 net tons and over	2.50	----------
2	Clearance of vessel, including American, to foreign port (19 U.S.C. 58):		
	(a) Less than 100 net tons	1.50	----------
	(b) 100 net tons and over	2.50	----------
3	Issuing permit to foreign vessel to proceed from district to district, and receiving manifest (46 U.S.C. 329, 330)	2.00	$0.10
4	Receiving manifest of foreign vessel on arrival from another district, and granting a permit to unlade (46 U.S.C. 329, 330)	2.00	.10
5	Receiving post entry (19 U.S.C. 58, 46 U.S.C. 330)	2.00	2.00
6	Receiving official bond not otherwise provided for (19 U.S.C. 58)	.40	----------
7	Certifying payment of tonnage tax for foreign vessels only (19 U.S.C. 58)	.20	.20
8	Furnishing copy of official document, including certified outward foreign manifest, and others not elsewhere enumerated (19 U.S.C. 58)	.20	.20

The fees in column A are those collectible on the Atlantic, Gulf, and Pacific coasts, and on the Mississippi River and tributaries; those in column B are collectible on the northern, northeastern, and northwestern frontiers (Great Lakes, Lake Champlain, and St. Lawrence River).

Because these fees did not cover the costs of providing the services, section 214 of the act authorized the Secretary of the Treasury to establish a new schedule of fees to be charged and collected for furnishing these services. These fees are to be consistent with section 501 of the Independent Offices Appropriation Act, 1952 (31 U.S.C. 483a), the so-called "User Charges Statute," which provides that the costs of specific services for private interests shall be reimbursed to the Government.

Interim action was required so that fees could be charged and collected for the services provided, pending the preparation and publication of a new fee schedule. In this regard, on October 12, 1978, Customs published a General Notice in the Federal Register (T.D. 78-381; 43 F.R. 46962), which provided that until a new fee schedule becomes effective, Customs would continue to charge and collect the fees presently set forth in section 4.98(a), Customs Regulations (19 CFR 4.98(a)), for services provided to vessels by Customs officers.

PROPOSALS

1. This document proposes a new schedule of fees which would become effective upon publication in the Federal Register as a Treasury decision and remain in effect for the remainder of calendar year 1979.

2. This document also proposes to amend section 4.98(a), Customs Regulations (19 CFR 4.98(a)), by deleting the existing fee schedule and providing that a General Notice will be published in the Federal Register and CUSTOMS BULLETIN in December 1979, setting forth a revised schedule of fees for specific services provided to vessels by Customs officers in 1980, and that a new schedule will be published in December of each year thereafter for services provided during the following year to reflect changes in the rate of compensation paid to the Customs officer performing the service. The revised fee schedule would be based upon the amount of time the average service requires of a Customs officer in the fifth step of a GS-9.

PERTINENT DATA

The (1) amount of revenue raised in fiscal year 1978 for each service, (2) the estimated length of time in hours reflected in the proposed new fee schedule required by a Customs officer to accomplish each service, and (3) the proposed new schedule of fees follow:

Fee No.	Description of services	Amount collected 1978	Estimated time in hours	Proposed new fee
1	Entry of vessel, including American, from foreign port:			
	(a) Less than 100 net tons	$269,151	½	$5.90
	(b) 100 net tons and over	(1)	1	11.90
2	Clearance of vessel, including American, to foreign port:			
	(a) Less than 100 net tons	262,570	½	5.90
	(b) 100 net tons and over	(1)	1	11.90
3	Issuing permit to foreign vessel to proceed from district to district, and receiving manifest	115,598	1	11.90
4	Receiving manifest of foreign vessel on arrival from another district, and granting a permit to unlade	109,091	1	11.90
5	Receiving post entry	81,410	½	5.90
6	Receiving official bond not otherwise provided for	388	¼	3.00
7	Certifying payment of tonnage tax for foreign vessels only	27,201	¼	3.00
8	Furnishing copy of official document, including certified outward foreign manifest, and others not elsewhere enumerated	3,710	1	11.90
	Total	869,119		

[1] a and b.

EXPLANATION

Section 24.17(d), Customs Regulations (19 CFR 24.17(d)), provides that the reimbursable charge for regular compensation shall be computed in accordance with section 19.5(b), Customs Regulations (19 CFR 19.5(b)), which contains the computation of the rate per hour for regular pay. The charge shall be computed at a rate per hour equato 137 percent of the hourly rate of regular pay of the particular eml ployee, with an addition equal to any night pay differential actually payable under section 5545, title 5, United States Code. The ratio of the annual number of working hours charged to Customs appropriation to the net number of annual working days is 137 percent. Therefore, the hourly rate utilized is $11.88, which is 137 percent of the hourly rate of pay of a Customs officer in the fifth step of GS–9.

It is indicated in the legislative history of Public Law 95–410 (House Rept. No. 95–621, 95th Cong., 2d sess., 1978, p. 28), that the fees to be charged shall be based upon the amount of time the average service requires of a Customs officer in the third step of GS–11. How-

ever, Customs has determined that these services generally are provided by a Customs officer in the fifth step of GS–9 and will use this pay rate as the basis for calculating the fees.

The proposed fees have been rounded off to the nearest tenth of a dollar. It also is proposed to eliminate the fees under column B in the present schedule. Fees under column B are collectible on the northern, northeastern, and northwestern frontiers (Great Lakes, Lake Champlain, and St. Lawrence River). Because Congress has repealed sections 329, 330, and 333 of title 46, and section 58, title 19, United States Code, and because the amount of the fee to be charged and collected is to be based on the amount of time required to provide the service and not on when or where the service is performed, Customs has determined that there is no reason to continue the distinction between column A and column B fees. The explanatory material presently set forth in paragraphs 4.98(b) through 4.98(h), Customs Regulations, remains unchanged.

AUTHORITY

This amendment is proposed under the authority of R.S. 251, as amended (19 U.S.C. 66), section 501, 65 Stat. 290 (31 U.S.C. 483a), Public Law 95–410, 92 Stat. 888.

COMMENTS

Before adopting this proposal, consideration will be given to any written comments, preferably in triplicate, on the proposed new fee schedule and amendments to the Customs Regulations, that are submitted timely to the Commissioner of Customs. Comments submitted will be available for public inspection in accordance with section 103.8(b), Customs Regulations (19 CFR 103.8(b)), during regular business hours at the Regulations and Legal Publications Division, headquarters, U.S. Customs Service, 1301 Constitution Avenue NW., room 2335, Washington, D.C. 20229.

This document is not subject to the Department of Treasury directive implementing Executive Order 12044, "Improving Government Regulations" (43 F.R. 12661), because the subject matter was under review by Customs before May 22, 1978.

DRAFTING INFORMATION

The principal author of this document was Charles D. Ressin, Regulations and Legal Publications Division, Office of Regulations and Rulings, U.S. Customs Service. However, personnel from other Customs offices participated in its development.

PROPOSED AMENDMENTS

PART 4—VESSELS IN FOREIGN AND DOMESTIC TRADES

It is proposed to amend section 4.98(a), Customs Regulations (19 CFR 4.98(a)), to read as follows:

4.98 Navigation fees.

(a)(1) The Customs Service shall publish a General Notice in the Federal Register and CUSTOMS BULLETIN in December of each year, beginning in December 1979, setting forth a revised schedule of navigation fees for the following services:

Fee No.:	*Description of services*
1	Entry of vessel, including American, from foreign port: (a) Less than 100 net tons. (b) 100 net tons and over.
2	Clearance of vessel, including American, to foreign port: (a) Less than 100 net tons. (b) 100 net tons and over.
3	Issuing permit to foreign vessel to proceed from district to district, and receiving manifest.
4	Receiving manifest of foreign vessel on arrival from another district, and granting a permit to unlade.
5	Receiving post entry.
6	Receiving official bond not otherwise provided for.
7	Certifying payment of tonnage tax for foreign vessels only.
8	Furnishing copy of official document, including certified outward foreign manifest, and others not elsewhere enumerated.

The published revised fee schedule shall remain in effect throughout the following year.

(2) The fees shall be calculated in accordance with sections 19.5(b) and 24.17(d), Customs Regulations (19 CFR 19.5(b), 24.17(d)), and be based upon the amount of time the average service requires of a Customs officer in the fifth step of a GS–9. The revised fee schedule shall be made available to the public in Customs offices. The respective fees shall be designated in correspondence and reports by the applicable fee number.

* * * * * *

GEORGE C. CORCORAN,
Acting Commissioner of Customs.

Approved: May 7, 1979.

RICHARD J. DAVIS,
Assistant Secretary (Enforcement & Operations).

[Published in the Federal Register May 25, 1979 (44 F.R. ——)]

International Trade Commission Notices

Investigations by the U.S. International Trade Commission

DEPARTMENT OF THE TREASURY

The appended notices relating to investigations by the U.S. International Trade Commission are published for the information of Customs Officers and others concerned.

R.E. CHASEN,
Commissioner of Customs,

In the Matter of CERTAIN PLASTIC-MOLDING APPARATUS AND COMPONENTS THEREOF	Investigation No. 337-TA-66

Notice of Investigation

Notice is hereby given that a complaint was filed with the U.S. International Trade Commission on April 5, 1979, and amended on April 20, 1979, under section 337 of the Tariff Act of 1930, as amended (19 U.S.C. 1337), on behalf of the I. P. Container Corp., 864 East 25th Street, Paterson, N.J. 07513 alleging that unfair methods of competition and unfair acts exist in the importation into the United States of apparatus which produce plastic receptacles by injection and stretch-blow molding in a single machine, or in their sale, by reason of the alleged coverage of (1) such apparatus by claims 20–23, 26, 29, and 33–35 of U.S. Letters Patent No. 4,065,246, and (2) the method of using such important apparatus by claims 1–3 and 5–8 of U.S. Letters Patent No. 3,776,991. With regard to claims 1–3 and 5–8 of the latter patent, it is alleged that the importation of such apparatus includes and contributes to the direct infringement of those claims by domestic purchasers of the apparatus.

The complaint, as amended, alleges that the effect or tendency of the unfair methods of competition and unfair acts is to substantially injure an industry, efficiently and economically operated, in the United

States, or to prevent the establishment of such an industry. Complainant requests (1) exclusion from entry into the United States, except under bond, of the imports in question during the period of the investigation, (2) permanent exclusion from entry into the United States of the imports in question after a full investigation, and (3) such other relief as is authorized by the statute.

Having considered the complaint, as amended, the Commission, on May 15, 1979, ORDERED THAT—

(1) Pursuant to subsection (b) of section 337 of the Tariff Act of 1930, as amended (19 U.S.C. 1337), an investigation be instituted to determine whether there is, or there is reason to believe that there is, a violation of subsection (a) of this section in the unlawful importation of certain plastic-molding apparatus and components thereof into the United States, or in their sale, because such apparatus (1) are allegedly covered by claims 20–23, 26, 29, and 33–35 of U.S. Letters Patent No. 4,065,246, and (2) allegedly contribute to and induce infringement of claims 1–3 and 5–8 of U.S. Letters Patent No. 3,776,991 as a result of such importation and sale, the effect or tendency of which is to substantially injure an industry, efficiently and economically operated, in the United States, or to prevent the establishment of such an industry;

(2) For the purpose of this investigation so instituted, the following are hereby named as parties upon which this notice of investigation shall be served:

(a) The complainant is—

I. P. Container Corp.
864 East 25th Street
Paterson, N.J. 07513

(b) The respondents are the following companies alleged to be involved in the unauthorized importation of such apparatus into the United States, or in their sale, and are parties upon which the complaint and the amendment to the complaint are to be served:

Nissei Plastic Industrial Co., Ltd.
Sakaki
Nagano-Ken
389–06
Japan
Nissei America, Inc.
9836 Alburtis Avenue
Santa Fe Springs, Calif. 90670

(c) Steven K. Morrison, U.S. International Trade Commission, 701 E Street NW., Washington, D.C. 20436, is hereby named Commission investigative attorney, a party to this investigation; and

(3) For the investigation so instituted, Chief Administrative Law Judge Donald K. Duvall, U.S. International Trade Commission, 701 E Street NW., Washington, D.C. 20436, shall designate the presiding officer.

Responses must be submitted by the named respondents in accordance with section 210.21 of the Commission's Rules of Practice and Procedure, as amended (19 CFR 210.21). Pursuant to sections 201.16(d) and 210.21(a) of the rules, such responses will be considered by the Commission if received not later than 20 days after the date of service of the amended complaint. Extensions of time for submitting a response will not be granted unless good and sufficient cause therefor is shown.

Failure of a respondent to file a timely response to each allegation in the amended complaint and in this notice may be deemed to constitute a waiver of the right to appear and contest the allegations of the amended complaint and this notice, and may authorize the presiding officer and the Commission, without further notice to the respondent, to find the facts to be as alleged in the amended complaint and this notice and to enter both a recommended determination and a final determination containing such findings.

The complaint, as amended is available for inspection by interested persons at the Office of the Secretary, U.S. International Trade Commission, 701 E Street NW., Washington, D.C. 20436, and in the Commission's New York City Office, 6 World Trade Center, New York, N.Y. 10048.

By order of the Commission.

Issued: May 4, 1979.

KENNETH R. MASON,
Secretary.

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U.S. Customs Service

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